

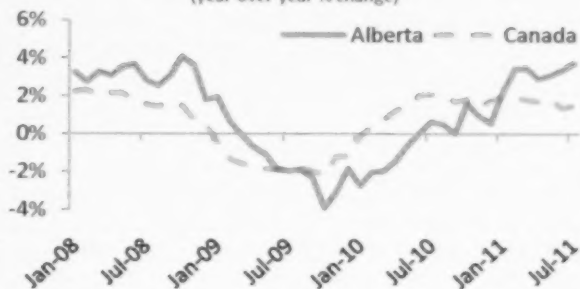
Labour Force

Job market continues to grow...

Alberta's labour market continued its upward trend with an increase of 12,400 jobs in July – the largest increase in the country. Gains were recorded in both full-time (3,200) and part-time (9,200) employment. The job gains were led by construction (7,100), transportation (6,600) and educational services (5,900), while losses were recorded in health care and social assistance (-7,400), agriculture (-7,300) and professional and technical services (-6,400). Alberta's unemployment rate fell from 5.6% in June to 5.5% in July due to the 12,400 increase in jobs and the 11,100 rise in the size of the labour force. Alberta has regained all the jobs lost in the recession and more. Employment fell by 73,600 positions from October 2008 to July 2009 and since then has gained 89,200 jobs.

Total employment in Canada grew by 7,100 jobs in July despite a loss of 22,400 jobs in Ontario. Alberta (12,400), Quebec (9,200) and BC (5,400) offset the big Ontario drop as well as smaller dips in New Brunswick (-1,500) and Nova Scotia (-1,400). Canada's unemployment rate edged down to 7.2% in July from 7.4% in June.

Figure 1: Employment Growth
(year-over-year % change)



Building Permits

Value of building permits falls in June...

The total value of building permits in Alberta fell by 11.0% in June (seasonally adjusted) to \$972.6 million. The value of residential building permits decreased by 4.1%, while the value of non-residential building permits dropped 18.5% after an outsized increase of 93.5% in May. For the first half of 2011, the total value of building permits is down 2.8% from the first six months of 2010, with the 13.6% drop in residential permits more than offsetting the 13.3% increase in non-residential permits.

Canadian Dollar (US\$/C\$)

August 5, 2011	101.60
July 29, 2011	104.84
2011-12 YTD	103.62

WTI Oil US\$/bbl

August 5, 2011	\$86.88
July 29, 2011	\$95.70
2011-12 YTD	\$100.55

Nymex Natural Gas US\$/MMBtu*

Near-month Contract	
August 5, 2011	\$3.94
July 29, 2011	\$4.14

* Estimate based on Nymex Futures Market Price

US Economy

Debt deal reached...

The US completed a deadline-beating bill on August 2 which temporarily averted the looming default crisis on federal government loans. The deal calls for the current debt ceiling limit of \$14.3 trillion to be raised by up to \$2.1 trillion with no further increases until 2013. In addition, \$1.5 trillion in spending cuts must be agreed to by November, 2011 with a further \$1 trillion in long term spending cuts occurring over the next ten years. There were no tax hikes included in the deal, but a Congressional Committee would be able to propose changes to the tax codes in the future.

Employment surprise to the upside in July...

The US saw an increase of 117,000 in total non-farm employment in July. Economists expected 85,000 new jobs. There were 154,000 jobs added by businesses, while government employment fell by 37,000. The unemployment rate fell from 9.2% to 9.1% in July, mainly due to a drop in the number of unemployed people looking for jobs. The participation rate (63.9%) fell to the lowest level in 27 years.

Global Economy

Markets take biggest dive since 2008...

On the back of intensified worries of the ability of Spain and Italy to service their debts, coupled with continued uncertainty surrounding the state of the US economy, global stock markets suffered their largest one day losses since December 2008 on Thursday. The TSX fell 384 points and the Dow Jones plunged 510 points. WTI shed \$5.30/bbl, closing the day at \$86.63/bbl. In early Friday trading markets appear stunned with no clear direction, yet the free fall has not continued.

Current Economic Indicators

Population	2009	2010	2011YTD*	Feb	Mar	Apr	May	June	July
Population ¹ (000's) (level)	3,671	3,721	3,758	--	--	3,758	--	--	--
% change	2.2	1.4	1.5	--	--	1.5	--	--	--
Net Interprovincial Migration ¹ (level)	13,184	-2,183	8,940	--	--	5,275	--	--	--
Net International Migration ¹ (level)	16,835	21,533	15,143	--	--	4,149	--	--	--
Net Non-permanent Residents ¹ (level)	19,162	-77	-8,872	--	--	-504	--	--	--
Labour Market									
Employment (000's)	2,025	2,017	2,073	2,068	2,064	2,060	2,069	2,091	2,103
% change	-1.3	-0.4	3.2	3.4	3.4	2.9	2.8	3.5	3.8
Unemployment Rate (%)	6.8	6.5	5.7	5.7	5.7	5.9	5.4	5.6	5.5
Participation Rate (%)	74.3	72.9	73.4	73.4	73.2	73.2	72.9	73.7	73.9
Average Weekly Earnings (\$)	950.13	993.13	1031.50	1030.49	1031.15	1032.26	1037.4	--	--
% change	2.9	4.5	5.3	5.9	5.3	3.3	4.9	--	--
Price Indices									
Consumer Price Index	-0.1	1.0	2.0	1.2	2.0	3.0	2.8	2.1	--
Excluding food and energy	1.4	0.8	0.6	0.3	1.1	0.4	0.8	0.2	--
Non-Res. Building Cons. Price Index ²	-9.8	-0.1	-0.1	--	--	--	--	--	--
Farm Product Price Index	-10.6	-3.9	17.2	20.7	19.3	17.0	11.4	--	--
Crops	-18.9	-14.5	17.2	15.6	18.0	19.4	19.8	--	--
Livestock	-2.8	5.7	18.4	25.1	20.0	16.1	10.6	--	--
Household Sector									
Housing Starts (SAAR, 000's)	20.0	27.1	22.4	22.2	20.7	22.7	25.7	23.9	--
% change	-31.6	33.5	-22.6	-22.4	-40.0	-22.8	-13.2	-10.8	--
New Housing Price Index	-9.0	0.5	0.7	0.8	0.5	0.1	0.3	--	--
Edmonton	-11.2	-0.8	0.7	1.1	1.2	0.4	0.7	--	--
Calgary	-6.7	1.7	0.6	0.4	-0.1	-0.2	0	--	--
MLS Average Resale Prices (\$ 000's)	340.5	350.9	353.7	355.9	348.8	360.1	351.7	352.9	--
% change	-3.1	3.1	0.0	2.5	-1.9	0.6	-2.4	-0.9	--
Edmonton	319.1	326.5	322.7	321.8	320.2	326.4	322.7	321.6	--
% change	-3.5	2.3	-2.5	-1.2	-4.6	-4.2	-3.0	-2.1	--
Calgary	384.3	397.4	401.5	403.8	393.4	404.4	403.7	401.9	--
% change	-4.2	3.4	0.8	2.3	-0.8	2.2	-1.3	-1.6	--
Retail Sales	-8.3	6.0	5.6	5.0	3.9	7.5	7.8	--	--
New Motor Vehicle Sales	-21.7	9.3	6.8	-0.1	12.5	11.8	4.5	--	--
Consumer Bankruptcies	9,986	8,150	3,151	636	680	640	617	--	--
% change	64.6	-18.4	-10.3	-0.2	-12.4	-14.0	-8.2	--	--
Business Sector									
Rigs Drilling	128	207	250	418	366	123	84	150	240
% change	-45.6	61.3	40.0	23.3	66.6	100.4	50.4	26.9	20.8
Goods Exports (customs based)	-36.3	11.7	14.9	7.1	20.1	13.8	19.0	--	--
Energy	-40.1	16.2	17.1	6.8	23.9	13.4	24.3	--	--
Agriculture	-10.2	-14.4	4.7	6.3	-3.3	11.6	3.6	--	--
Total Farm Cash Receipts (quarterly)	-8.0	-3.9	16.9	--	--	--	--	--	--
Manufacturing Shipments	-23.7	11.0	16.5	14.4	18.2	20.9	15.8	--	--
Wholesale Trade	-15.9	10.8	13.3	11.9	13.0	9.4	16.0	--	--
Building Permits	-14.2	2.1	-2.8	50.2	-12.6	-22.3	11.7	-17.3	--
Residential	-11.8	24.7	-13.6	-34.0	-4.5	0.2	-10.2	-7.0	--
Non-residential	-16.3	-19.0	13.3	224.7	-24.4	-49.0	51.9	-27.6	--
Business Bankruptcies	405	378	117	22	26	17	22	--	--
% change	-9.4	-6.7	33.9	-26.7	-45.8	-54.1	-37.1	--	--

Government of Alberta ■

Finance and Enterprise

Alberta ■

* YTD - year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

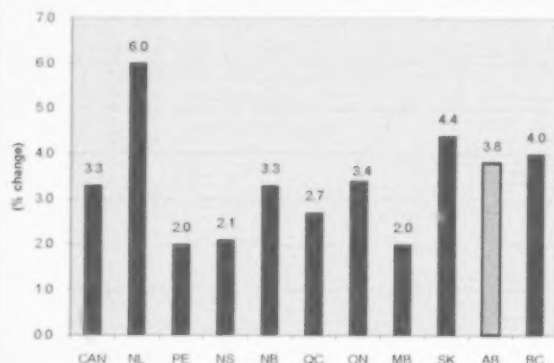
1 Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).

2 Quarterly, average of Calgary and Edmonton

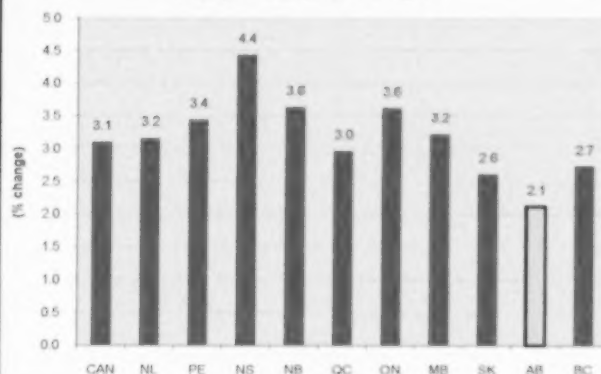
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Current Economic Indicators by Province

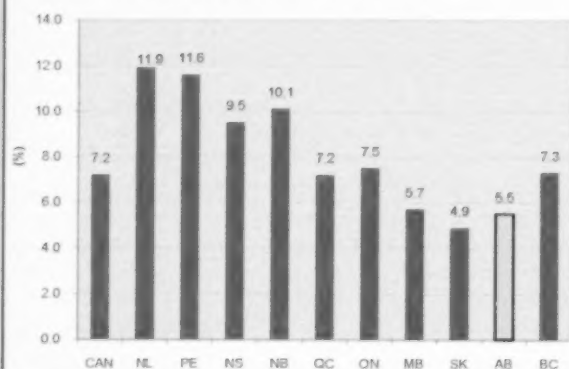
2010 Real GDP Growth by Province
(preliminary estimate, GDP by industry)



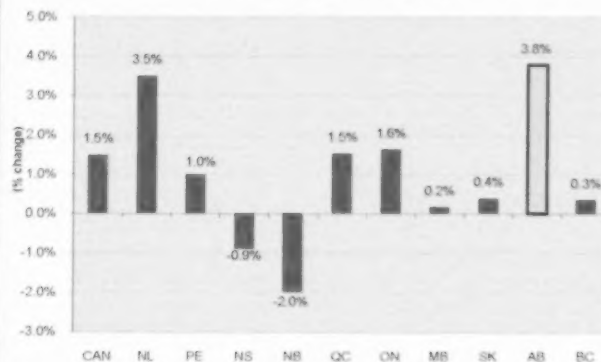
CPI Inflation
(June year-over-year % change)



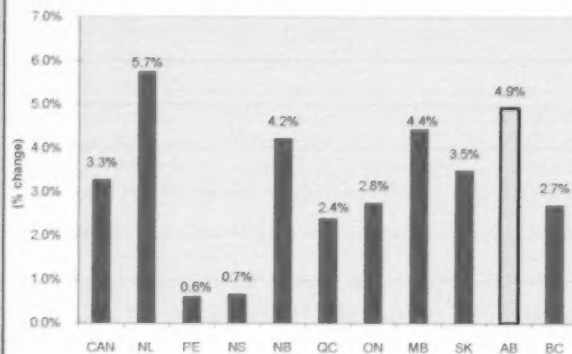
Unemployment Rate
(July 2011, Seasonally Adjusted)



Employment
(July 2011, SA year-over-year growth)



Average Weekly Earnings
(May year-over-year growth)



Housing Starts
(SAAR June 2011)

